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Programme budget for the biennium 2016-2017

Proposed programme budget for the biennium 2018-2019

Human resources management

United Nations common system

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2017**

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

Summary

The present statement, submitted pursuant to rule 153 of the rules of procedure of the General Assembly, describes the administrative and financial implications arising from the recommendations of the International Civil Service Commission for the common system that call for decisions by the General Assembly, in particular for the programme budget of the United Nations for the biennium 2016-2017 and the proposed programme budget for the biennium 2018-2019. In the interest of providing comprehensive information, the statement also describes the implications for the budgets of peacekeeping operations for the 2017/18 and 2018/19 peacekeeping financial periods. In addition, the statement presents the implications of recommendations of the Commission to the executive heads of the participating organizations, related to the conditions of service of the General Service and other locally recruited categories.

* A/72/150.

** An advance version of the report of the International Civil Service Commission for 2017 (A/72/30) was used in the preparation of the present statement.

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Should the General Assembly approve the recommendations of the Commission, the resource requirements arising from those recommendations are estimated at $1,787,900 under the programme budget of the United Nations for the biennium 2016-2017 and would be addressed, as necessary, in the context of the second performance report for that biennium. The financial implications for the proposed programme budget for the biennium 2018-2019 are estimated at $4,534,300 and would be addressed in the context of the revised estimates: effect of changes in rates of exchange and inflation for the period. The resource requirements for peacekeeping operations for the financial periods 2017/18 and 2018/19 are estimated at $8,419,900 and $8,436,300, respectively, and would be taken into account, as necessary, in the context of the performance reports for the period 1 July 2017 to 30 June 2018 and in the context of the upcoming proposed budgets for the financial period from 1 July 2018 to 30 June 2019.

I. Introduction

1. The annual report of the International Civil Service Commission for 2017 (A/72/30) contains decisions and recommendations giving rise to financial implications for the programme budget of the United Nations, starting with the biennium 2016-2017, and the budgets of peacekeeping operations starting with the financial period 2017/18, related to the following issues:

(a) Remuneration of the Professional and higher categories: base/floor salary scale, in respect of separation payments;

(b) Remuneration of the General Service and other locally recruited categories: survey of best prevailing conditions of employment in Vienna, and adjustment of dependency allowances based on the new salary scale;

(c) Conditions of service in the field: danger pay.

II. Remuneration of the Professional and higher categories

Base/floor salary scale (in respect of separation payments)

2. The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in its resolution 44/198 (sect. I.H, para. 1). The scale is set by reference to the General Schedule salary scale of the comparator civil service, currently the federal service of the United States of America. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the established reference point of the scale (P-4, step VI) with the corresponding base salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with a weight of 33 per cent and 67 per cent, respectively).

3. In its resolution 70/244, the General Assembly approved a unified salary scale, with effect from 1 January 2017. Subsequently, a 1 per cent increase in the base General Schedule scale of the comparator civil service was implemented with effect from 1 January 2017. In addition, changes with respect to tax rate schedules and deduction amounts were introduced for 2017, at the federal level and for the District of Columbia, as explained in paragraphs 92 and 93 of the report of the Commission for 2017.

4. The Commission recommends to the General Assembly, for approval with effect from 1 January 2018, an increase of 0.97 per cent in the base/floor salary scale for the Professional and higher categories. The proposed salary scale is shown in annex VII to the report of the Commission for 2017.

5. The Commission noted that an increase in the base/floor salary of 0.97 per cent as at 1 January 2018 would be implemented through the standard no-loss/no-gain procedure, namely, by increasing the base/floor salary scale and commensurately decreasing post adjustment multipliers. The Commission also recalled that, while generally cost neutral in terms of net remuneration, the base scale adjustment procedure would have implications in respect of separation payments.

6. The financial implications in respect of separation payments associated with the Commission's recommendation on an increase of the base/floor salary scale of Professional and higher categories were estimated by the Commission at approximately $421,000 per annum, system-wide. In this regard, the financial implications for the proposed programme budget for the biennium 2018-2019 are estimated at an increase of $99,000 for the United Nations. The financial

implications for peacekeeping operations are estimated at $16,400 for the financial period from 1 July 2017 to 30 June 2018 and at $32,800 for the financial period from 1 July 2018 to 30 June 2019.

III. Remuneration of the General Service and other locally recruited categories

Survey of the best prevailing conditions of employment in Vienna

7. On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (survey methodology I), the Commission conducted a survey in Vienna, with a reference date of April 2017. The new salary scale and the revised dependency allowances for the General Service category of the organizations of the common system in Vienna, as recommended by the Commission to the executive heads of the Vienna-based organizations, are reproduced in annex IX to the report of the Commission for 2017.

8. The recommended salary scale for the Vienna-based organizations shown in annex IX is 3.3 per cent higher than the current scale.

9. The financial implications associated with the implementation of the new salary scale for the General Service category in Vienna, as well as the revised dependency allowances are estimated at $3.4 million per annum, system-wide, and at $391,000 for the programme budget for the biennium 2016-2017 and $710,400 for the proposed programme budget for the biennium 2018-2019. There are no financial implications related to peacekeeping operations, as there are no peacekeeping-funded staff based in Vienna.

IV. Conditions of service in the field

Danger pay: methodology for adjustment and review of level of allowance

10. In the context of the comprehensive review of the United Nations common system compensation package, the Commission had decided on the review cycle of the level of allowances under its purview, in accordance with the schedule outlined in annex IV to its annual report for 2016 (A/71/30). The level of danger pay is to be reviewed every three years, starting in 2017. The Commission also decided to request its secretariat to put forward options to address the methodology for the adjustment of danger pay for both categories of staff.

11. For locally recruited staff, the Commission decided to update the reference year of the applicable General Service salary scales from those in effect in 2012 to those in effect in 2016 and apply 30 per cent to the net midpoint of these scales.

12. Taking into account the above adjustment, the financial implications associated with the Commission's recommendation on the revised level of danger pay are estimated at $17.4 million per annum, system-wide, representing an increase of approximately $1,396,900 for the programme budget for the biennium 2016-2017, and $3,724,900 for the proposed programme budget for the biennium 2018-2019. The financial implications for peacekeeping operations are estimated at $8,403,500 for the financial period from 1 July 2017 to 30 June 2018 and at $8,403,500 for the financial period from 1 July 2018 to 30 June 2019.

V. Conclusions and recommendations

13. The financial implications arising from the decisions and recommendations of the International Civil Service Commission are summarized, as follows:

(a) The financial implications for the programme budget of the United Nations for the biennium 2016-2017 and the proposed programme budget for the biennium 2018-2019 are estimated at $1,787,900 and $4,534,300, respectively;

(b) The financial implications for the budgets of peacekeeping operations for the financial periods 2017/18 and 2018/19 are estimated at $8,419,900 and $8,436,300 respectively.

14. Should the General Assembly approve the recommendations of the Commission:

(a) Requirements for the biennium 2016-2017 for the United Nations will be addressed, as necessary, in the context of the second performance report for the biennium 2016-2017, as appropriate, and requirements for the biennium 2018-2019 will be taken into account in the context of the revised estimates: effect of changes in rates of exchange and inflation for the period;

(b) Requirements for the budgets for peacekeeping operations will be addressed, as necessary, in the context of the performance reports for the financial period from 1 July 2017 to 30 June 2018 and in the context of the upcoming proposed budgets for the financial period from 1 July 2018 to 30 June 2019.